

23.2 HOUSING NEEDS ASSESSMENT

23.2.1 Population Characteristics

The City of Folsom presents an appealing residential environment, due, in part, to its historic background, location on the American River, varied topography, semirural characteristics, and sense of community. The high level of growth experienced in the City since 1980 has caused substantial changes in the characteristic makeup of the population. This section of the Housing Element identifies some of the demographic

changes which have taken place in Folsom over the past ten years.

In 1990, the total population in the City of Folsom was 29,802 persons. Of this total, 23,082 persons, or 77.45% of the population, were members of households. In the County, the percent of population that are also members of households was 97.87%, or 1,019,079 persons. The table below shows population and household statistics for the City of Folsom.

Table 23-1
POPULATION AND HOUSEHOLD FIGURES (1990)

	Folsom		Sacramento County	
	1990	1992	1990	1992
Population	29,802	36,507	1,041,219	1,099,058
Households	8,757	10,731	394,530	411,848
Household Population	23,082	28,990	1,019,079	1,075,904
Persons per HH	2.64	2.70	2.58	2.61
Persons in Group Quarters*				
Folsom Prison	6,609	6,619		
Nursing Homes	105	*****		
Other	6	*****		
Total	6,720	7,517		

* These figures are included in the Total Population figure.
Sources: U.S. Census, 1990; Cal. Dept. of Finance, 1992; Folsom Prison.

As the table shows, a small percentage of the population within the City is due to the prison inmates at the City of Folsom State Prison facility. The prison was recently expanded (1986), increasing the maximum number of inmates from approximately 3,000 to well over 6,000 persons. In 1985, the total persons in the prison (including both inmates and prison personnel) exceeded 3,800 persons; by June of 1991 the total persons in the prison had increased to 7,131, and then declined to 6,619 by May 1992.

The prison does not expect an increase in prison capacity in the near future and the current facility is presently filled to maximum capacity. The percent of the population therefore represented by the prison will become increasingly smaller over the next five years as the City continues to grow.

Because the majority of prison inmates are males between the age of 18 and 35, the total number of inmates could potentially represent a large share of the City population between the ages of 21 and 35 which has increased dramatically since 1980. The statewide average of prison inmates is 29, and officials at the Folsom State Prison feel that this age is very representative of the average Folsom inmate.

The annual average growth rate in the City of Folsom has increased significantly in the 30-year time period since 1960. In 1970, the total population of the City increased by 48.02% since 1960 with an average annual growth rate of 4.00%.

Table 23-2
POPULATION GROWTH RATES

Year	Ave Annual Population	Ave Annual Increase	Growth Rate	Time Period
1960	3,925			
1970	5,810	189	4.00%	1960-1970
1980	11,003	519	6.59%	1970-1980
1990	29,802	1,879	10.48%	1980-1990
1992	36,507	3,352	22.49%	1900-1992

Sources: U.S. Census Bureau 1960, 1970, 1980, 1990;
California Department of Finance, 1992.

In the ten year period 1970-1980, the total population increased by 89.38% with an average annual growth rate of 6.59%. The greatest total and annual change, however, occurred during the ten year period 1980-1990, with a total population increase of 170.85% and average annual growth rate of 10.48%. During this last decade the population in the City more than doubled for the first time in the City's history. These statistics are shown in the table above.

The California Department of Finance reported 36,507 persons in the City of Folsom in 1992 (January 1). This is an increase of 6,705 persons from the 1990 Census and represents a population percentage increase of 22.5%. The large increase in population reported by DOF is based in its assumption regarding the occupancy of dwelling units completed during 1990. With the substantial reduction in construction during 1991, the Department's 1992 population will likely show a much smaller increase.

DOF also reported a total of 1,099,058 persons in Sacramento County in 1992. DOF reported a City-wide vacancy rate of 4.59% and 2.70 persons per household. The DOF reported a vacancy rate of 5.30% and 2.61 persons per household in Sacramento County.

The following table indicates an almost across the board increase in the percentage of persons younger than forty-four years of age and a decrease in the percentage of persons above the age of forty-five. The only exception is a decrease in the percentage of persons in the fifteen to nineteen year age group. The greatest change was in the persons in the 25-34 age group (7.79% increase since 1980) and the 35-44 age group (6.32% increase since 1980). These two age groups together combined for almost half of the population (46.23) in 1990, a significant increase from 1980 when these two groups combined for approximately only one third (32.11%) of the population.

Table 23-3
AGE CHARACTERISTICS

Age	1980		1990		Percent Change
	Number	Percent	Number	Percent	
0 to 4	610	5.54	1,961	6.58	+ 1.04
5 to 14	1,195	10.86	3,527	11.83	+ 0.97
15 to 19	740	6.73	1,346	4.52	- 2.21
20 to 24	707	6.43	2,079	6.98	+ 0.55
25 to 34	2,018	18.34	7,787	26.13	+ 7.79
35 to 44	1,515	13.77	5,991	20.10	+ 6.32
45 to 54	1,247	11.33	2,779	9.32	- 2.01
55 to 64	1,305	11.86	1,742	5.85	- 6.01
65 to 74	1,078	9.79	1,555	5.22	- 4.57
75 +	588	5.34	1,035	3.47	- 1.87
Total	11,003	100.00	29,802	100.00	

* These figures include Folsom Prison population figures.
Source: U.S. Census Bureau, 1980, 1990.

This statistic, combined with the dramatic increase in total persons in the City and the decreasing older persons in the City could signify a substantial increase in working age adults, with and without families. However, as mentioned above, this change could also represent an increase in the number of inmates at Folsom prison during that same period in the 25-34 age group. The table above shows age characteristics in the City during the last ten years.

An increase in working families would also be reflected in a changing City school enrollment profile. In the 1991-92 school year, the Folsom-Cordova Unified School District reported a total of 4,584 students enrolled in the City of Folsom.

This number is more than twice as many children as enrolled in the 1985-86 school year, when there were 2,180 students. A certain percentage of this increase in the first six grades is due in part to the addition of three elementary schools in the City after the 1985-86 school year. The number of students in each grade are shown in the table below.

Table 23-4
SCHOOL DISTRICT ENROLLMENT CHARACTERISTICS

	1985-86		1991-92	
Kindergarten	158	7.3%	358	7.8%
First Grade	174	8.0%	418	9.1%
Second Grade	171	7.8%	375	8.2%
Third Grade	188	8.6%	399	8.8%
Fourth Grade	141	6.5%	352	7.7%
Fifth Grade	135	6.3%	384	8.4%
Sixth Grade	141	6.6%	392	8.5%
Seventh Grade	131	6.0%	356	7.7%
Eighth Grade	145	6.6%	368	8.0%
Ninth Grade	181	8.3%	342	7.5%
Tenth Grade	225	10.3%	303	6.6%
Eleventh Grade	192	8.8%	298	6.5%
Twelfth Grade	195	8.9%	239	5.2%
TOTAL	2,180	100.0%	4,584	100.0%

Source: Folsom-Cordova Unified School District, 1991; enrollment characteristics based on October 9 of the 1985-86 and 1991-92 school years.

Ethnic Characteristics

In 1980 persons of white ethnic background represented almost 96% of the population (95.9%). In 1990 this number had decreased to 84.0%,

indicating a slight diversification of persons within the city. Significant changes also occurred among the percentage of hispanic and Black persons. The table below shows the ethnicity statistics for the City in both 1980 and 1990.

Table 23-5
ETHNICITY

Year	R A C E (%)					
	White	Black	Am.Ind.	¹ Asian	² Other	Hispanic ³
1980	95.9	0.2	1.2	1.1	1.6	5.9
1990	84.0	9.9	0.7	3.4	2.0	10.9
	(89.4)	(1.6)	-----	(6.2) ⁴ -----		(4.0)
% Change	-11.9	+9.7	-0.5	+2.3	+0.4	+5.0

¹ Includes American Indian, Eskimo, and Aleut

² Includes Japanese, Chinese, Filipino, Korean, Asian-Indian, Vietnamese, Hawaiian, Guamanian, Cambodian, Hmong, Laotian, Thai, and Samoan

³ These figures also included in racial categories.

⁴ Includes American Indian, Asian, and Other categories.

Source: U.S. Census Bureau, 1980, 1990.

It should be noted that the age and ethnic characteristics of the Folsom Prison population skews the Census Bureau report on the City as a whole. The numbers in parentheses in Table 5 represent the percent of the City's population in each ethnic category after subtracting the Folsom Prison population. The adjusted figures in parentheses more accurately reflect the composition of the City's year-round household population.

Employment Characteristics

The City of Folsom has traditionally been a net exporter of workers to other parts of Sacramento County and the region. The City has served as a residential suburb and historic commercial center. The chief "industry" in Folsom for many years was the state prison.

As late as 1980, only one of every four Folsom residents worked within the City limits, of a total labor force of 3,662 workers. Another 400-600

workers had jobs in the surrounding communities, based on their reported travel time. Most workers commuted to Sacramento or other distant locations to work, however. Fifty-eight per cent of those workers reported a 20-minute or longer commute time.

As Folsom has developed new commercial and industrial land uses, the ratio of jobs to housing has increased, although population growth has still far outpaced employment growth in the City.

Employment in 1980. The employment distribution in Folsom has been integrally linked to regional trends. In 1980, 27% of City was employed in the government and education sector. 23% were employed in the services/finance sector, and approximately 22% were employed in the wholesale/retail sector. Overall, wholesale and retail trade, services and finance, and government/education accounted for about 3/4 of the Folsom work force in 1980, about the same

county-wide. Only 9% of the workforce was involved in manufacturing industries.

Employment Trends 1980-1985. The California Employment Development Department (EDD), in its 1986 Annual Planning Information report, estimated Sacramento County's total employment in 1985 at 378,600, an increase of 12% since 1980. According to EDD, employment growth since 1980 has occurred primarily in government, private services, and wholesale and retail trade. These employment sectors accounted for 83% of Sacramento area jobs in 1985. Manufacturing jobs actually declined by about 1,000, while construction employment declined by about 1,500 jobs. The county-wide trend, then, is for office and service sector employment to continue to expand.

The employment trends in Folsom, however, will be somewhat different. In the early 1980s, Folsom began an effort to plan for services and municipal facilities for large commercial and industrial parks that were anticipated to develop in Folsom. A number of Bay Area firms and other large, national corporations, especially those involved in the research, development, and manufacturing of electronics components, expressed an interest in locating regional offices and manufacturing facilities in Folsom.

23.2.2 Projected Needs

Economic Development and Employment Characteristics

The commercial and industrial development expected to occur in the Folsom area over the next five years will have a significant impact on the extent to which people working in Folsom are able to find affordable housing in Folsom. If future jobs in the Folsom area are relatively low-paying positions, an increasing number of workers will be forced to commute to their jobs from surrounding communities. Possible results include higher traffic and commuting levels, increased pollution, and a diminished overall quality of life.

It appears that the majority of jobs to be created by the commercial and industrial development proposed for Folsom will be retail and assembly-type positions. Preparation for the development of a regional mall, for example, is in progress. If this project is completed, a substantial number of low- and moderate-paying retail jobs will be created. In addition, several new retail/commercial centers have been completed or are under construction since 1986.

The Intel Corporation, which employs 2,500 persons, plans to expand to 10,000 employees by the year 2010. If this expansion takes place linearly over the next twenty years, an estimated 1,975 jobs will be created over the life of the Housing Element. Although it is likely that these new employees will have a wide range of salary levels, many of them will be assembly-type workers in relatively low-paying positions. One of the unknowns, since only part of the 1990 Census results has been released, is the proportion of households with two workers or more. This information is important in evaluating the balance of jobs to housing for two reasons:

- 1) To the extent that a higher percentage of households have two or more workers, the number of dwelling units needed to meet the housing demand from new workers would be lower; and
- 2) The higher the percentage of two-income households, the greater the number of households that can afford housing in Folsom, even among lower-paid employees. Low-paying jobs do not necessarily translate, one-for-one, into low-income households if a substantial number of households have two or more workers.

Because the general trend over the past twenty years has been for an increasing number of households to have two workers, it would be a gross miscalculation to assume that each new job created causes a demand for a new dwelling unit, and that each new low- and moderate-income job created will automatically create a demand for a

dwelling unit affordable to a low- or moderate-income household.

In addition, there is a substantial capacity for the existing population within Folsom and in the nearby unincorporated area to fill new job positions. There will always be a substantial percentage of the existing population that is unemployed and looking for work or that would fill new job positions if they became available. Taking into account these factors, the number of dwelling units needed to accommodate job growth will be substantially less than the number of jobs created.

Jobs/Housing. Information regarding the jobs/housing balance in the City is not available. However, if the 6,073 housing units which are currently under construction or approved for construction are completed over the next five years, it is unlikely that there will be an imbalance of housing in relation to employment growth. The major shortcoming of the jobs/housing analysis is that it does not take into account housing affordability. As stated in the previous section, until more of the 1990 Census results are available, it will not be possible to analyze the relationship between housing cost, housing availability, job creation, and income from new jobs.

Of the units currently under construction, ready to begin construction in 1992, or planned for construction between 1991 and 1996, it is unlikely that more than a small percentage of these units (probably less than 10%) would be affordable to low-income households. About 15% to 20% of these units would be rental apartments, and less than half of these units are projected to be affordable, at market rates, to low-income households.

A model which measures commute distances, such as the Commute Shed Model established by Sacramento County, could supplement the 1990 Census in providing information on commuting patterns of Folsom residents.

Folsom's Housing Needs Allocations. The following tables were adopted by the Sacramento Area Council Of Governments (SACOG) in 1990 as part of its Regional Housing Needs Allocation Plan (RHNAP). Table 6 provides estimates of existing and projected households by income group. Each jurisdiction is required by state law (Government Code Section 65584) to use the Regional Housing Needs Allocations as a basis for determining future housing need. The following steps were taken to determine the number of units which need to be constructed for each income group between 1991 and 1996.

- 1) The SACOG RHNAP identifies the increase in households by income category in Folsom between 1989 and 1996 and the corresponding percentage of increase in households for each income category (see Table 5).

- 2) The Basic Construction Need is calculated using the methodology provided by SACOG and 1990 Census data figures for total housing units (Table 6).

- 3) Total Basic Construction Need by Income Group is calculated by applying the percentage of increase in households by income category (Table 5) to the basic construction need figure calculated in Table 6.

The amount of housing which must be constructed over the period covered by the Housing Element in order to provide for household growth, required vacancy rates, and expected housing unit removals is defined by the Total Basic Construction Need, a figure which is provided in SACOG's Regional Housing Needs Allocation Plan.

Table 8 summarizes the remaining housing need for each income group for the period 1991 to 1996. The remaining need was calculated by subtracting from the total need for the 1989-1996 period the number of dwelling units constructed or approved for construction between 1989 and 1991.

In distributing these dwelling units by income groups, the City has determined that approximately 50 percent of rental apartments constructed during this period are affordable to low-income households, and approximately 50 percent are affordable to moderate-income households. In

addition, it is assumed that approximately 25 percent of dwelling units constructed in medium-density multifamily zones during this period are affordable to moderate-income households (based on cost information collected for these units).

Table 23-6
SACOG RH NAP FAIR SHARE ALLOCATIONS

Income Categories	Est. 1989 Households	% of Total	Proj. 1996 Households	% of Total	Increase 1989-1996	Basic New Constr Need
Very Low	1,985	26.7	3,735	26.0	1,905	1,905
Low	1,189	16.0	2,344	16.3	1,155	1,257
Moderate	1,420	19.1	2,838	19.7	1,418	1,544
Above Mod.	2,854	38.3	5,475	38.0	2,621	2,853
Total	7,448	100.0	14,392	100.0	6,944	7,559

Source: SACOG Regional Housing Needs Allocation Plan.

Table 23-7
BASIC CONSTRUCTION NEED

Projected Households - 1991	14,392
Vacant for Sale - 1996	199
Vacant for Rent - 1996	+294
Subtotal	14,885
Vacant Not for Sale or Rent (1.8%)	+266
 Total Units Needed - 1996	 15,151
Plus replacement units needed	172
Less total 1989 Housing Units	<u>-7,764</u>
 Total Basic Construction Need (1989-1996)	 7,559
 Housing unit count--1991	 10,236
Less 1989 housing unit count	<u>-7,764</u>
Equals housing units added 1989-1991	2,472
 1989-1996 Basic Construction Need	 7,559
Less housing units added 1989-1991	<u>-2,887</u>
Equals remaining need--1991-1996	4,672

Sources: SACOG RH NAP, 1990, Department of Finance, 1991.

Table 23-8
BASIC CONSTRUCTION NEED BY INCOME CATEGORY
(1991 - 1996)

Income Category	1989-1996 Constr Need	Est Units Built (89-91)	Remaining Need (91-96)
Very Low	1,905	0	1,905
Low	1,257	335	922
Moderate	1,544	409	1,135
Above Moderate	<u>2,853</u>	<u>2,143</u>	<u>710</u>
TOTAL	7,559	2,887	4,672

23.2.3 Existing Needs

Median Income. Household income levels are generally expressed in terms of percentage of median income for the County in which a community is located. The definitions used by HCD are as follows:

<u>Income Category</u>	<u>Definition</u>
Very Low-Income	Less than 50% of median area income
Low-Income	50% to 80% of median area income
Moderate-Income	80% to 120% of median area income
Above Moderate-Income	over 120% of median area income

The most current income information available for Folsom is the 1991 HCD median income figures for the Sacramento County area. It is unlikely that these figures are as accurate as 1990 Census data, but since the Census Bureau is not expected to release income data until late 1992, the HCD figures will be used to calculate maximum housing payment affordability levels.

Incidence of Overpayment. The California State Department of Housing and Community Development (HCD) has determined that, in general, housing costs in excess of 30 percent of household income cause an undue financial burden on a household. Households spending in excess of 30 percent of the household income are considered to be overpaying.

Since it is impossible to determine who is living in which housing unit, the extent of overpayment cannot be determined. However, the results of this comparison provide an idea of the parity between housing costs and ability to pay. The following methodology provides a comparison between housing costs and income levels.

1) Maximum affordable housing payments are calculated by multiplying the income level for each household size and income group by 30 percent.

2) Maximum housing payments for the average size household at each income level are calculated at 30% of income.

3) Maximum housing payments are compared with 1990 Census data on housing costs to determine the percentage of the City's housing units which are affordable to each income category.

4) The percentage of units affordable to each income category is multiplied by the 1990 Census estimate of the total number of housing units to determine the number of units affordable to each income group.

5) The number of households in each income group is calculated by multiplying the 1989 SACOG estimates of percentage of households at each income level by 1990 Census household count.

6) The number of affordable units in each income group is compared to the number of households in each income group.

Using 1990 Census data and 1990 SACOG information in the manner prescribed above, it can be calculated that 2,564 households in Folsom spend more than 30 percent of their incomes on

housing costs. This represents 29.2 percent of Folsom's households. The following tables contain the information used to make these calculations.

Table 9 provides income levels and maximum housing payments for households of different sizes based on the above definitions and median income figures provided by HCD for the Sacramento County area. Table 10 identifies the payments required for loans of varying amounts at varying interest rates.

Because the Census information is not yet available on housing price by size of the house, and the housing payment affordability levels in Table 10 are based on the size of the household, the average size household and its maximum affordable rent must be compared to housing costs. Table 11 provides the maximum housing payments for the average size household (2.64 persons per household, as determined by the 1990 Census).

Table 23-9

INCOME LEVELS AND MAXIMUM HOUSING PAYMENTS FOR SACRAMENTO COUNTY AREA

HH Size	VERY LOW		LOW		MEDIAN		MODERATE	
	Income	Payment	Income	Payment	Income	Payment	Income	Payment
One	\$13,900	\$350	\$22,250	\$555	\$27,800	\$695	\$33,350	\$835
Two	15,900	400	25,400	635	31,750	795	38,100	950
Three	17,850	445	28,600	715	35,750	895	42,900	1,070
Four	19,850	495	31,750	795	39,700	990	47,650	1,190
Five	21,450	535	34,300	855	42,850	1,070	51,400	1,285
Six	23,050	575	36,850	920	46,100	1,150	55,300	1,380
Seven	24,600	615	39,400	985	49,250	1,230	59,100	1,480
Eight	26,200	655	41,900	1,045	52,400	1,310	62,850	1,570

Source: Median income figures provided by the California State Department of Finance (1991).

Maximum affordable housing payments calculated as 30% of monthly household income, rounded to the nearest \$10.

Table 23-10
MONTHLY PAYMENTS - PURCHASE HOUSING

Loan Amount	8%	9%	10%	11%	12%
\$20,000	\$148	\$162	\$177	\$192	\$207
40,000	296	324	354	383	414
60,000	440	483	527	571	617
80,000	587	644	702	762	803
100,000	734	804	878	952	1,028
120,000	880	961	1,053	1,143	1,234
150,000	1,100	1,207	1,316	1,428	1,543
200,000	1,467	1,609	1,755	1,905	2,057

Source: Connerly & Associates, Inc., 1991.

Table 23-11
MAXIMUM HOUSING PAYMENTS FOR THE AVERAGE SIZE HOUSEHOLD

HH Size	VERY LOW Income Payment	LOW Income Payment	MEDIAN Income Payment	MODERATE Income Payment
2.64*	\$16,184 \$ 404	\$25,920 \$ 648	\$32,400 \$ 811	\$38,880 \$ 972

* 1990 Census determined that the average household size in Folsom is 2.64.

Based on the maximum average housing payments for the average size household and certain assumptions (10% down, 9% APR), a very low-income household can only afford a housing unit with a value \$55,625. Under these same guidelines, a low-income household can afford a maximum value of \$88,889, and a moderate-income household can afford a maximum value of \$121,341.

These estimates indicate that many of the housing units in the City are not affordable to certain income groups. The table below shows the maximum purchase price for very low-, low-, and moderate-income households.

Table 23-12 MAXIMUM HOME PURCHASE PRICE BY INCOME CATEGORY		
VERY LOW	LOW	MODERATE
\$55.625	\$88.889	\$121.341
<u>Assumptions:</u> 10 percent down payment. 9.0 percent a.p.r. financing. 2.64 persons per household.		

Market Response to Housing Demand.
There are currently many new homes being completed and under construction in the City of Folsom. Much of this new construction is in the area of Folsom referred to as Natoma Station. Although the size of the subdivisions vary, most range between 80 to 100 lots with most home prices well into the \$200,000 range. A number of the new subdivisions are also located in the Lexington Hills area, south of Folsom Lake in the City.

The average home size in these new subdivisions has a minimum of four bedrooms and many times the homes have as many as five bedrooms. Of the listed home sellers below, none offer a three bedroom unit and very few have any models that are available under \$200,000. This average price creates affordability constraints on the homebuyer. The table below shows some of the new developments in the City and the range of prices and home sizes each project offers.

Table 23-13
NEW HOME CHARACTERISTICS

PROJECT NAME	SIZE	PRICE	DESCRIPTION
Ashby Parke [Citation Homes]	--- 2,812- 3,000	\$257,000- \$283,000 \$307,000	3 bdrm/2 bath 5 bdrm/3 bath 5 bdrm/4 bath
Briggs Ranch [Winncrest Homes]	1,733- 2,278	\$206,900- \$248,900	3 bdrm/2 bath 4 bdrm/3 bath
Brynclyff [Morrison Homes]		\$225,200 \$297,709	
Carson Hill [Carson Homes]	1,667- 2,729	\$185,450- \$285,950	3 bdrm/2 bath 5 bdrm/3 bath
California Hills	2,260- 2,680	\$241,950 \$286,950	3 bdrm/2 bath 5 bdrm/3 bath
Cascades [Elliot Homes]	1,910- 2,435	\$214,400- \$252,950	3 bdrm/3 bath 4 bdrm/3 bath
Goldridge [Lexington Homes]	1,845- 2,690	\$209,950- \$264,950	4 bdrm/2 bath 5 bdrm/3 bath
Lakeridge [Lexington Homes]	1,675- 2,690	\$169,950- \$255,950	3 bdrm/2 bath 5 bdrm/3 bath
Orofino [Patrick Developpt.]	1,987- 2,952	\$234,950- \$297,950	4 bdrm/2 bath 5 bdrm/2 bath
Prospect Pointe [Lexington Homes]	1,675- 2,561	\$182,950- \$239,950	3 bdrm/2 bath 5 bdrm/3 bath
Silvertrace [Richmond American]	2,008- 3,268	\$206,490- \$271,990	4 bdrm/2 bath 5 bdrm/4 bath
Twin Rocks		\$174,950- \$209,950	

Source: Marketing brochures from Folsom area developments, 1991, 1992.

The information presented in Table 13 includes only those prices for homes actually available for sale at the time of the survey and is not, therefore, a complete listing of homes sold in Folsom during 1991 and 1992. Many of the home builders listed in Table 13 have produced smaller single family homes selling between \$130,000 and \$160,000. These homes tend to be sold very quickly, however, and none were available for sale at the time of the 1991 or 1992 surveys. As a consequence, the information shown in Table 13 tends to overstate the average selling prices of new single family homes for sale in Folsom.

The Census reported a median home value of \$210,600 in the City of Folsom in 1990. The

Census report, which categorizes single family owner-occupied homes, indicates that over half of the homes surveyed are valued at more than \$200,000 (55.4%). Only 6.2% of the homes are valued at less than \$100,000, and the remaining housing units are valued between \$100,000 and \$200,000. The Census figures are consistent with the asking home prices in new subdivisions in both Natoma Station and Lexington Hills, which both offer homes well into the \$200,000 range. The table below shows the distribution of owner-occupied homes in the City by home value.

The Census reported a median contract rent of \$555 in the City in 1990. Table 15 shows the rents received by rental bracket group.

Table 23-14
SINGLE FAMILY OWNER-OCCUPIED HOME VALUES

Value	# of Homes	Percent
Less than \$15,000	1	--
\$15,000 to \$19,999	3	--
\$20,000 to \$29,999	6	0.1%
\$30,000 to \$39,999	5	0.1%
\$40,000 to \$49,999	9	0.2%
\$50,000 to \$59,999	12	0.3%
\$60,000 to \$74,999	68	1.2%
\$75,000 to \$99,999	234	4.3%
\$100,000 to \$124,999	401	7.4%
\$125,000 to \$149,999	385	7.1%
\$150,000 to \$174,999	584	10.8%
\$175,000 to \$199,999	705	13.1%
\$200,000 to \$249,999	1,361	25.2%
\$250,000 to \$299,999	855	15.8%
\$300,000 to \$399,999	514	9.6%
\$400,000 to \$499,999	157	2.9%
\$500,000 or more	104	1.9%
Total	5,404	100.0%
Median Home Value:	\$210,600	

NOTE: Excludes condominiums

Source: U.S. Census Bureau, 1990.

Table 23-15
CONTRACT RENTS FOR THE CITY OF FOLSOM

Rents	# of Units	% of Units
Less than \$100	8	0.4%
\$100 to \$149	12	0.5%
\$150 to \$199	75	3.3%
\$200 to \$249	64	2.9%
\$250 to \$299	63	2.8%
\$300 to \$349	126	5.6%
\$350 to \$399	214	9.5%
\$400 to \$449	191	8.5%
\$450 to \$499	144	6.4%
\$500 to \$549	173	7.7%
\$550 to \$599	289	12.9%
\$600 to \$649	218	9.7%
\$650 to \$699	131	5.8%
\$700 to \$749	113	5.0%
\$750 to \$999	269	12.0%
\$1,000 or more	111	4.9%
No cash rent	42	1.9%
TOTAL	2,243	
Median rent:	\$ 555	

Source: U.S. Census Bureau, 1990.

An important consideration in analyzing housing prices and rental payments is to determine the degree of overpayment by low- and very low-income households. Unfortunately this information will not be available from the 1990 Census until after the adoption of this element. Therefore, the only accurate analysis of household overpayment in the City is from the 1980 Census report.

At the time of the 1980 Census, there were about 400 rental units available at \$170 or less, equal to 25% of a very low-income household's monthly earnings. In 1980, there were 638 very low-income households in the City of Folsom.

Many of these households, approximately 200, were homeowners. There were about 450 owners whose monthly housing expenses (excluding utilities) were \$170 per month or less.

There were approximately 530 rental units affordable to lower-income Folsom residents, units renting for between \$170-\$274. There were 300 homeowners who paid \$170-\$274 in housing expenses (excluding utilities) in 1980. In 1980, there were 518 lower-income households and 160 of these were owner-occupants.

It appears that Folsom's housing market, then, was roughly in balance in 1980, with sufficient rental or ownership units at housing costs affordable to very low- and lower-income

households. It is obvious, though, from the Census data on housing costs as a percentage of income that most very low- and lower-income households did not actually reside in these lower-cost units. Two reasons are likely:

- 1) Very low- and lower-income households often compete for the same lower-cost units as moderate- and some above-moderate households.

- 2) Lower-cost housing units are most likely to be studio, one- or two- bedroom homes, which may not be suitable to lower-income families, especially large families.

Since 1980, Folsom has evolved into a "dual" housing market, with a sizeable stock of older, lower-cost housing and newer units affordable mainly to moderate- and above moderate-income residents. Some evidence of this duality existed in 1980. The Census showed the median cost of housing varied significantly with the age of a home.

Homes constructed the year prior to the Census had a median price of \$130,000, whereas homes constructed prior to 1960 had estimated median values of \$50,000 to \$60,000. In between were homes constructed during 1970-1978. These homes had estimated median values of \$80,000-\$100,000 in 1980.

Changes in housing costs in Folsom since 1980 reflect four underlying factors:

- 3) Regional housing demand pressures which have caused property values and rents to rise,

- 4) The price mix of new housing units built,

- 5) The growing desirability of Folsom as a residential environment, and

- 6) Increased costs of construction, including land prices and development costs, and facilities that serve new residences.

The following table uses information on the maximum housing payments for the average size household and the housing cost information presented in the above tables to estimate the number of housing units affordable to each income group.

Table 17 shows SACOG's estimate of housing affordability by household income level throughout the City in 1990. Based on these estimates, only 34.3% of the units are affordable to very low-income households. Each of the remaining income levels have a higher percentage of affordability with moderate-income households being the next most in demand of affordable housing at 60.3%.

Table 23-16
AFFORDABLE HOUSING UNITS BY INCOME CATEGORY*

Type	Very Low	Low	Moderate	Abv. Mod.	Total
Rental	619	991	371	262	2,243
Owner-Occupied	31	73	446	4,854	5,404
Totals	650	1,064	817	5,116	7,647
Percentage					
By Category	8.5%	13.9%	10.7%	66.9%	100%
Cumulative	8.5%	22.4%	33.1%	100.0%	

* Based on 2.64 persons per household, does not include 100% of the City's housing stock.
Source: U.S. Census Bureau, 1990.

Table 23-17
HOUSING AFFORDABILITY

Income Group	1989 SACOG Projection	1990* HH Est	% of Units Affordable***	Total Units 1990*	<u>Aff Units</u> Total HHs***
Very Low	26.7%	2,338	8.5%	801	34.3 %
Low	16.0	1,401	13.9	1,309	93.4
Moderate	19.0	1,671	10.7	1,008	60.3
Above Mod.	38.3	3,354	66.9	6,301	188.0
Total	100.0%	8,754	100.0%	9,418	

* U.S. Census Bureau.

** From Table 14.

*** Ratio of affordable units to households for each income level.

Housing Age and Condition. In 1987, over half (58%) of Folsom's housing was constructed since 1975 and over 80% since 1960. Less than 6% of the City's housing predates 1940, and these numbers have only become greater in the five years since.

Given the relative newness of Folsom's housing, one should not expect to find a significant problem of substandard housing. In fact, an exterior housing conditions survey conducted in 1991 identified only 88 housing units in need of rehabilitation.

The exterior conditions survey did not include several homes which were in the process of being repaired by their owners.

It should be noted that the survey was not an extensive "walk through" inspection of each unit; therefore, it is possible that many of these units may be in need of internal repairs.

Also, it is highly likely that other homes are substandard internally, although the outward appearance might not show a need for substantial home repairs. Details of the housing conditions survey are discussed later in this document.

Special Housing Needs. This section will identify the housing needs of special population groups such as the elderly and mobility impaired. The table below summarizes 1990 Census data for householders over the age of 65, female householders, large families, and overcrowded households.

Table 23-18
GENERAL HOUSEHOLD CHARACTERISTICS

	# of Households	% of Total
Householders 65+ yrs.	1,619	
Renters	334	20.6%
Owners	1,285	79.4%
Female Householders	1,8542	1.2%
single, no children	1,0611	2.1%
single, with children	429	5.0%
non-single, no children	227	3.0%
non-family	137	1.6%
Household size		
1 person	1,740	19.9%
2 persons	3,0843	5.2%
3 persons	1,617	18.5%
4 persons	1,5611	7.8%
5 persons	551	6.3%
6 persons	143	1.6%
7 or more persons	61	0.7%
Large Families (5 or more in HH)	755	8.6%
Overcrowded Households (more than one person/room)		
Owner Occupied	84	1.0%
Renter Occupied	124	1.4%
Total	208	2.4%

Source: U.S. Census Bureau, 1990.

Residents 65 Years of Age or Older. The 1990 Census determined that there were 2,590 persons over the age of 65, and 1,619 households with a head of household 65 or older, in the City of Folsom. Although the actual number of persons within this age group has increased, the proportion of the total population 65 years and older has decreased by more than six percentage points.

Nearly four in five (79.4%) of Folsom's older households own their homes. Most of these households do not have trouble meeting their basic housing costs because the mortgage has been paid in full. However, other housing costs, particularly utilities and maintenance, continue to increase, making it increasingly difficult for those households who depend primarily on Social Security and income from pensions to meet these

costs. As these older homeowners find they do not have the necessary funds to maintain their homes, they defer maintenance. When this occurs over a period of years, many homes become dilapidated and no longer provide a safe or healthy living environment.

Only one of five (20.6%) households 65 years or older rents its unit. These households face a much more difficult housing situation, however, regarding unit availability and affordability. There is no readily available data which can identify the number of older renters in need of housing assistance. However, these older households are included in the total number of low-income renter households identified as needing housing assistance.

Large Families. There were 755 large families (five or more members) living in Folsom in 1990. Information is not yet available from the 1990 Census regarding the income levels of these families. To keep from being overcrowded, these families need housing units with five or more rooms.

There are 7,094 housing units in the City with five or more rooms (1990 Census), but the Census does not identify the housing costs associated with these housing units.

Based on the available information, it is assumed that the housing needs of above moderate-income and most moderate-income large families are being met. Given the small supply of rental units, particularly rental apartments, with three or four bedrooms that are affordable to very low- and low-income households, the City would need to expand the supply of such units to meet the needs of lower-income large families.

The extent of this supply imbalance cannot be quantified until 1990 Census data is available to allow a comparison of rental rates by number of bedrooms with household income for large families. The tables below show the total rooms per housing unit and the total household size by household status and tenure.

Table 23-19
NUMBER OF PERSONS BY TENURE

Household Size	Total	Percent
FAMILY HOUSEHOLDS		
2 Persons	2,721	41.3%
3 Persons	1,552	23.7%
4 Persons	1,540	23.4%
5 Persons	545	8.4%
6 Persons	143	2.3%
7 or more	61	0.9%
Total	6,562	100.0%
NON-FAMILY HOUSEHOLDS		
1 Person	1,740	79.3%
2 Persons	363	16.5%
3 Persons	65	2.9%
4 Persons	21	1.0%
5 Persons	6	0.3%
6 Persons	0	---
7 or more	0	---
Total	2,195	100.0%

Source: U.S. Census Bureau, 1990.

Table 23-20
NUMBER OF ROOMS BY HOUSING UNIT

Number of Rooms	Total Housing Units	Percent
1 Room	106	1.1%
2 Rooms	205	2.2%
3 Rooms	622	6.6%
4 Rooms	1,391	14.7%
5 Rooms	1,556	16.5%
6 Rooms	1,750	18.6%
7 Rooms	1,538	16.3%
8 Rooms	1,295	13.7%
9 or more Rooms	955	10.1%
TOTAL	9,418	100.0%

Source: U.S. Census Bureau, 1990.